

# WD-40 Company Annual Report 1985

Year Ending August 31



### Highlights of the 3 Years Ended August 31

	1985	1984	1983
Net Sales .....	\$57,289,000	\$57,306,000	\$50,188,000
Net Income .....	\$ 9,354,000	\$10,062,000	\$ 7,974,000
Net Income Per Share .....	\$1.25	\$1.35	\$1.07
Dividends Per Share .....	\$ .90	\$ .84	\$ .75
Average No. of Shares Outstanding .....	7,498,024	7,476,546	7,453,598
Shares Outstanding .....	7,500,721	7,494,921	7,459,141
Number of Shareholders .....	2,249	2,172	1,998
Number of Employees .....	49	39	38

#### Highlights Fiscal 1985:

- Current Ratio: 7.2 to 1
- Net Income to Average Net Worth: 34.2%
- Debt: None
- Receivables to Sales: 21.6%
- Inventories to Sales: 4.5%
- Sales per Employee: \$1,169,163

October 15, 1985

#### TO OUR SHAREHOLDERS:

Consolidated sales and earnings for fiscal 1985 were the second highest in the Company's history but below original expectations. Sales were essentially flat compared with last year - \$57,289,000, down \$17,000. Net income was \$9,354,000, down 7%.

United States sales were flat and earnings were off 4 % from fiscal 1984. The absence of growth was attributable to intensified competition in a weak and muddled trade environment. Of the many competitors, two were sponsored by huge conglomerates and "bought" distribution - one on a national basis and the other on the west coast. Both offered significant consumer rebates but neither achieved satisfactory movement at retail. Both products are believed to have been discontinued; however, stock remains in the pipeline that has to be purged.

Weak retail sales coupled with an unprecedented number of mergers worked against getting large displays and strong promotions. Pressure was on to shrink inventories which resulted in some stock-outs. The merger mania generated confusion, uncertainty, and many personnel changes in the trade with consequent disruption to our promotional activity. The economy appears to be improving but the mergers are still going strong. Progress continues to be made in improving distribution in grocery supermarkets.

The headquarters of our new English subsidiary, located at Milton Keynes, England, was officially dedicated July 25, 1985. It will be responsible for manufacturing and marketing WD-40 throughout the United Kingdom, Europe, Africa and the Middle East. Expenses incurred in the start-up of this subsidiary reduced 1985 earnings by \$.06 a share.

We are projecting record sales and earnings for fiscal 1986. Winning new users remains our chief objective in Canada whereas it has shifted in the United States to increasing the consumption rate of WD-40 with existing consumers. Our English subsidiary is expected to yield a handsome return on our investment as we export our marketing know-how to that territory.

Sincerely,



John S. Barry,  
President

## THE COMPANY

### Corporate Objectives

Management is dedicated to the objectives of increasing corporate earnings and dividends by winning the end-user's brand loyalty for your Company's only product, WD-40.

### The Product

WD-40 is the cornerstone of your Company. It is a chemical-petroleum based maintenance product consumed by end-users in homes, factories, garages, farms and offices throughout the world. The well-established growth pattern in the demand for WD-40 attests to customer satisfaction with its performance.

WD-40 is typically procured for a specific application and, because of its unusual versatility, finds its way into many other uses. This broad range of uses provides your single-product Company with surprising diversification from a marketing point-of-view — it has little dependency on any one or even a group of end-users.

### Markets

To date, over 95% of the Company's revenues have been generated from the United States and Canada. WD-40 is distributed to its diverse end-users in these countries through a number of trade channels and retail outlets including automotive, industrial, farm, drug, grocery and mass merchandisers.

Our English facility commenced operation in September 1985 and will be striving to build sales in the United Kingdom, Europe, Africa and the Middle East. Other geographical markets are served by licensees and distributors.

### Competition

WD-40's hard-earned brand leadership in the United States has created envy and lured numerous imitators into the marketplace over the years. Competitive activity was especially keen in fiscal 1985 and played a significant role in stunting our growth. Two of the products from billion-dollar companies appear to have "bitten the dust," presumably along with their overambitious product managers who failed to heed Santayana's advice. Some of our own customers have even turned competitors by coming out with "their own" brand of a multiple purpose

product. As in the past, these failed to generate the hoped-for volume because of WD-40's strong brand loyalty with the end-user.

In the important retail segment of our market, we are competing for shelf space with the giant marketing companies in the world with products ranging from anti-freeze to light bulbs and razor blades. To survive and grow, our promotional programs must be attractive enough to the trade to win retail display space. We need to capitalize on the impulse nature of WD-40.

### Operational Overview

While your Company is technically a manufacturer it is really a marketer. Such being the case, it is organized to focus intensive management attention on critical success areas of: (1) sales policies, (2) marketing plan formulation, and (3) implementation of marketing plans. Other vital functions handled internally are: order handling, credit, WD-40 concentrate formulation, and quality control.

WD-40 concentrate for North America is formulated in San Diego and shipped by railcar or tank wagon to contract packagers in Los Angeles, Texas, Georgia, Massachusetts, Wisconsin and Toronto, Canada. These independent subcontractors package WD-40 to rigid specifications and, upon order from your Company, ship ready-to-sell WD-40 to our customers in their respective areas via common carrier. The packagers have no responsibility for marketing WD-40.

Our newly established European headquarters in Milton Keynes, England will formulate WD-40 concentrate and supervise its conversion to ready-to-sell WD-40 for the United Kingdom, Europe, Africa and the Middle East. It will also be responsible for marketing the product throughout that territory.

### Capital Requirements

Only modest amounts of capital are required for expanding the Company's business, and this should be readily generated internally. Excess funds will be returned to the shareholder in the form of cash dividends. Dividends were 7% greater in fiscal 1985 than 1984.



October 7, 1985

To the Board of Directors and Shareholders  
of WD-40 Company

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income and retained earnings and of changes in financial position present fairly the financial position of WD-40 Company and its subsidiaries at August 31, 1985 and 1984, and the results of their operations and the changes in their financial position for each of the three years in the period ended August 31, 1985, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

*Price Waterhouse*

San Diego, California

**WD-40 COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS**

	Year ended August 31		
	1985	1984	1983
Net sales .....	\$57,289,000	\$57,306,000	\$50,188,000
Interest, royalty and other income .....	1,505,000	1,515,000	1,333,000
	<u>58,794,000</u>	<u>58,821,000</u>	<u>51,521,000</u>
Cost and expenses:			
Cost of product sold .....	24,403,000	24,060,000	21,781,000
Selling, general and administrative .....	9,764,000	9,395,000	8,626,000
Advertising and sales promotion .....	5,289,000	4,923,000	5,021,000
	<u>39,456,000</u>	<u>38,378,000</u>	<u>35,428,000</u>
Income before taxes on income .....	<u>19,338,000</u>	<u>20,443,000</u>	<u>16,093,000</u>
Provision for income taxes:			
Federal .....	7,934,000	8,201,000	6,436,000
State .....	1,568,000	1,717,000	1,310,000
Foreign .....	482,000	463,000	373,000
	<u>9,984,000</u>	<u>10,381,000</u>	<u>8,119,000</u>
Net income .....	<u>9,354,000</u>	<u>10,062,000</u>	<u>7,974,000</u>
Beginning retained earnings .....	24,498,000	20,719,000	18,333,000
Cash dividends of \$.90, \$.84 and \$.75 per share .....	(6,749,000)	(6,283,000)	(5,588,000)
Ending retained earnings .....	<u>\$27,103,000</u>	<u>\$24,498,000</u>	<u>\$20,719,000</u>
Earnings per share .....	<u>\$1.25</u>	<u>\$1.35</u>	<u>\$1.07</u>

See accompanying notes to consolidated financial statements.



**WD-40 COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**

ASSETS

	August 31	
	<u>1985</u>	<u>1984</u>
Current assets:		
Cash, including certificates of deposit of \$13,100,000 and \$15,653,000 .....	\$15,054,000	\$16,968,000
Accounts receivable, less allowance for cash discounts and doubtful accounts of \$169,000 and \$163,000 .....	12,401,000	9,759,000
Inventories, at the lower of average cost or market:		
Finished goods .....	2,277,000	1,798,000
Raw materials .....	278,000	169,000
	<u>2,555,000</u>	<u>1,967,000</u>
Prepaid taxes and expenses .....	784,000	703,000
Total current assets .....	<u>30,794,000</u>	<u>29,397,000</u>
Property, plant and equipment at cost:		
Land .....	254,000	250,000
Building and improvements .....	1,318,000	504,000
Machinery and equipment .....	1,182,000	761,000
	<u>2,754,000</u>	<u>1,515,000</u>
Less: accumulated depreciation .....	(738,000)	(622,000)
	<u>2,016,000</u>	<u>893,000</u>
Other assets .....	61,000	
	<u>\$32,871,000</u>	<u>\$30,290,000</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable .....	\$ 2,044,000	\$ 1,086,000
Accrued payroll and related expenses .....	752,000	649,000
Estimated taxes on income .....	1,460,000	2,529,000
Total current liabilities .....	<u>4,256,000</u>	<u>4,264,000</u>
Deferred income taxes .....	33,000	37,000
Shareholders' equity:		
Common stock no par value, 9,000,000 shares authorized — shares issued and outstanding of 7,500,721 and 7,494,921 .....	1,714,000	1,651,000
Paid-in capital .....	121,000	121,000
Retained earnings .....	27,103,000	24,498,000
Cumulative foreign currency translation adjustment (Note 1) .....	(356,000)	(281,000)
Total shareholders' equity .....	<u>28,582,000</u>	<u>25,989,000</u>
	<u>\$32,871,000</u>	<u>\$30,290,000</u>

See accompanying notes to consolidated financial statements.

**WD-40 COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**

	Year ended August 31		
	1985	1984	1983
Financial resources were provided by:			
Operations —			
Net income .....	\$ 9,354,000	\$10,062,000	\$ 7,974,000
Depreciation .....	116,000	90,000	90,000
Deferred income taxes .....	(4,000)	(8,000)	
Provided by operations .....	9,466,000	10,144,000	8,064,000
Issuance of common stock .....	63,000	382,000	239,000
Disposition of equipment .....	7,000	6,000	4,000
	<u>9,536,000</u>	<u>10,532,000</u>	<u>8,307,000</u>
Financial resources were used for:			
Cash dividends .....	6,749,000	6,283,000	5,588,000
Repurchase of common stock .....		44,000	71,000
Additions to property, plant and equipment .....	1,246,000	284,000	69,000
Equity adjustment for foreign currency translation ..	75,000	281,000	
Increase in other assets .....	61,000		
	<u>8,131,000</u>	<u>6,892,000</u>	<u>5,728,000</u>
Increase in working capital .....	<u>\$ 1,405,000</u>	<u>\$ 3,640,000</u>	<u>\$ 2,579,000</u>
Changes in components of working capital:			
Increase (decrease) in current assets —			
Cash .....	\$ (1,914,000)	\$ 5,321,000	\$ 1,636,000
Accounts receivable .....	2,642,000	1,473,000	(1,356,000)
Inventories .....	588,000	(194,000)	301,000
Prepaid taxes and expenses .....	81,000	(1,196,000)	1,226,000
	<u>1,397,000</u>	<u>5,404,000</u>	<u>1,807,000</u>
Decrease (increase) in current liabilities —			
Accounts payable .....	(958,000)	407,000	(128,000)
Accrued payroll and related expenses .....	(103,000)	292,000	(148,000)
Estimated taxes on income .....	1,069,000	(2,463,000)	1,048,000
	<u>8,000</u>	<u>(1,764,000)</u>	<u>772,000</u>
Increase in working capital .....	<u>\$ 1,405,000</u>	<u>\$ 3,640,000</u>	<u>\$ 2,579,000</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 — Summary of Accounting Policies:**

*Principles of Consolidation*

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, WD-40 Products (Canada) Limited and WD-40 Company Ltd.(U.K.). All significant intercompany transactions have been eliminated. Accounts of the Canadian and United Kingdom subsidiaries have been translated into United States dollars at appropriate rates of exchange. Foreign currency translation losses of \$75,000 and \$281,000 have been included in equity for the years ended August 31, 1985 and 1984, respectively.

The Company's wholly owned subsidiary in the United Kingdom, WD-40 Company Ltd., was incorporated in September 1983. Start-up costs for the years ended August 31, 1985 and 1984, which were not material in amount, have been included in operations.

*Depreciation*

Depreciation of plant and equipment is computed using straight-line and accelerated methods, based upon estimated useful lives of thirty years for the plant and three to fifteen years for machinery and equipment.

### Earnings Per Share

Earnings per share are based upon the weighted average number of shares outstanding during each year.

### NOTE 2 — Income Taxes:

The provision for income taxes includes the following timing differences:

	Year ended August 31		
	1985	1984	1983
Due to expenses recorded in advance of tax deduction —			
California Franchise Tax .....	\$ (64,000)	\$173,000	\$ (73,000)
Allowance for cash discounts .....	3,000	(17,000)	54,000
Stock appreciation rights .....	.	(188,000)	98,000
Other — net .....	10,000	5,000	2,000
Tax effect of timing differences .....	<u>\$ (51,000)</u>	<u>\$ (27,000)</u>	<u>\$ 81,000</u>

Differences between the provision for income taxes and that computed by applying the statutory federal income tax rate to income before taxes consist principally of state income taxes, net of the federal benefit, and foreign income taxes.

Investment tax credits, which are not material in amount, are accounted for under the flow through method.

### NOTE 3 — Common Stock:

During 1981 the Company issued Stock Appreciation Rights (SAR) covering 49,200 shares of the Company's common stock at \$9.83 per share. This Plan replaced a terminated stock option plan which had options outstanding for 49,200 shares at \$9.83 per share. The SAR plan resulted in a charge to income of \$320,000 in 1983 and no charge to income in 1984 and 1985.

During the year ended August 31, 1983, stock options for 16,200 shares and the related SAR were exercised. The SAR value when exercised approximated \$137,000 and was applied against the option price of approximately \$159,000, generating \$22,000 of net cash proceeds to the Company. Stock options for 28,500 shares remained outstanding at August 31, 1983. During the year ended August 31, 1984, all of the outstanding stock options for 28,500 shares and the related SAR were exercised. The SAR value when exercised approximated \$344,000 and was applied against the option price of approximately \$280,000, resulting in a net cash outflow of \$64,000 to the Company.

In November 1981, the shareholders approved an Incentive Stock Option Plan whereby the Board of Directors may grant officers and key employees options to purchase an aggregate of not more than 240,000 shares of the Company's common stock at a price not less than 100 percent of the fair market value of the stock at the date of grant. Options are exercisable one year after grant and may not be granted for terms in excess of ten years.

Options for 34,275 shares were granted in March 1982, at \$10.83 per share and became exercisable in March 1983. During the year ended, August 31, 1983, stock options for 7,371 shares were exercised. Stock options for 26,904 shares remained outstanding and options for 205,725 shares remained available for grant under the Plan at August 31, 1983.

Options for 29,000 shares were granted in November 1983, at \$19.50 per share and became exercisable in November 1984. During the year ended August 31, 1984, stock options for 9,414 shares were exercised and options for 450 shares were cancelled. The Company repurchased 2,134 and 3,200 shares of its common stock during 1984 and 1983, respectively, in conjunction with the above transactions. Stock options for 46,040 shares remained outstanding and options for 176,725 shares remained available for grant under the Plan at August 31, 1984.

During the year ended August 31, 1985, stock options for 5,800 shares were exercised and options for 7,400 shares were cancelled. Options for 30,500 shares were granted in September 1984, at \$21.375 per share and will become exercisable in September 1985. Stock options for 63,340 shares remained outstanding and options for 146,225 shares remained available for grant under the Plan at August 31, 1985.

**NOTE 4 – Employee Benefit Plans:**

The Company has a Profit Sharing Plan for the benefit of its regular full-time employees, including officers. The Plan provides for annual contributions into a trust which are based upon an annual earnings formula, or more, as approved by the Board of Directors, but which may not exceed the amount deductible for income tax purposes. The Plan may be amended or discontinued at any time by the Company. Profit sharing expense for 1985, 1984 and 1983 approximated \$173,000, \$179,000 and \$188,000, respectively.

Effective September 1, 1984, the Company adopted a Salary Deferral Employee Stock Ownership Plan for the benefit of its regular full-time employees who have completed three years of service. The Plan provides for Company contributions equal to 50 percent of the salary which employees elect to defer, or more, as approved by the Board of Directors. Employee salary deferrals and Company contribution are then invested in the common stock of the Company. The Plan may be amended or discontinued at any time by the Company. Company contribution expense for 1985 was approximately \$7,000.

**Quarterly Financial Information**

The following table sets forth certain unaudited quarterly financial information for the two years ended August 31, 1985.

Quarter ended:	Net Sales	Gross Profit	Net Income	Earnings Per Share
November 30, 1983	\$13,516,000	\$ 7,737,000	\$ 2,023,000	\$ .27
February 29, 1984	15,239,000	8,620,000	2,500,000	.34
May 31, 1984	14,979,000	8,823,000	2,574,000	.34
August 31, 1984	13,572,000	8,066,000	2,965,000	.40
	<u>\$57,306,000</u>	<u>\$33,246,000</u>	<u>\$10,062,000</u>	<u>\$1.35</u>
November 30, 1984	\$14,207,000	\$ 8,350,000	\$ 2,332,000	\$ .31
February 28, 1985	13,153,000	7,229,000	2,087,000	.28
May 31, 1985	14,986,000	8,661,000	2,303,000	.31
August 31, 1985	14,943,000	8,646,000	2,632,000	.35
	<u>\$57,289,000</u>	<u>\$32,886,000</u>	<u>\$ 9,354,000</u>	<u>\$1.25</u>

**COPY OF FORM 10-K**

Beneficial owners may obtain without charge a copy of WD-40 Company's annual report on Form 10-K filed with the Securities and Exchange Commission for 1985 by writing to the Secretary, WD-40 Company, 1061 Cudahy Place, San Diego, California 92110.

**STOCK INFORMATION**

Period	Fiscal 1985			Fiscal 1984		
	High	Low	Dividend	High	Low	Dividends
First Quarter	\$22 <sup>1</sup> / <sub>4</sub>	\$20	\$.22	\$23	\$16 <sup>1</sup> / <sub>4</sub>	\$.20
Second Quarter	23 <sup>3</sup> / <sub>4</sub>	21	.22	23	18 <sup>1</sup> / <sub>4</sub>	.20
Third Quarter	21	19 <sup>1</sup> / <sub>2</sub>	.22	24	18 <sup>3</sup> / <sub>4</sub>	.22
Fourth Quarter	21	19 <sup>1</sup> / <sub>2</sub>	.24	24 <sup>1</sup> / <sub>4</sub>	19 <sup>1</sup> / <sub>2</sub>	.22

The high and low sales prices are as quoted in Standard and Poor's Daily Stock Prices.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE LAST THREE FISCAL YEARS OF OPERATION****Liquidity and Capital Resources**

The Company's primary source of liquidity is funds provided by operations. During fiscal 1985 the Company completed construction of a new facility in England. Total capital expenditures incurred in connection with this facility approximated \$1,200,000. The Company does not plan any significant capital expenditures during fiscal 1986.



**Results of Operations**

Sales growth for fiscal 1983 and 1984 was 4.3% and 14.1%, respectively. This was real growth since the last price increase was December 1980.

Sales for fiscal 1985 were consistent with fiscal 1984. The slight decrease in sales resulted primarily from increased competition which "bought" shelf space at the retail level. The failure of these products to sell in good volume at retail should open shelf space and permit the Company to set record sales in fiscal 1986.

Cost of products sold, as well as the other cost relationships included in the Consolidated Statement of Income and Retained Earnings, are expected to remain fairly constant, as a percent of sales, for fiscal 1986.

Inflation has not had, nor is expected to have, a significant impact on the Company's operations.

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**Board of Directors**

John S. Barry	President, Treasurer
Sam Crivello	Investor
Eugene H. DeFalco	Investor
Daniel W. Derbes	Executive Vice President, Allied-Signal Inc.
Harlan F. Harmsen	Secretary; Attorney, Harmsen, Carpenter & Wilkinson
Jack L. Heckel	Chairman of the Board and CEO, Aerojet General Corp.
Margaret L. Roulette	Investor
C. Fredrick Sehnert	President, Technology Ventures Associates

**Officers**

John S. Barry	President, Treasurer
Gerald C. Schleif	Vice President — Marketing
Harlan F. Harmsen	Secretary
Arland Pasquarella	Assistant Secretary

**General Counsel**

Harmsen, Carpenter & Wilkinson

**Independent Accountants**

Price Waterhouse  
San Diego, California

**Transfer Agent & Registrar**

California First Bank, 8155 Mercury Court, San Diego, California 92112

**Corporate Office**

1061 Cudahy Place  
San Diego, California 92110  
619/275-1400

**Annual Meeting**

2:00 PM, November 26, 1985  
Sunrise Room South  
Town & Country Hotel  
500 Hotel Circle North  
San Diego, California 92109

**Subsidiaries**

WD-40 Products (Canada) Ltd.  
WD-40 Company Ltd. (U.K.)

**Listed**

Over the Counter. NASDAQ National Market System.  
Symbol WDFC

# TEN YEAR SUMMARY (1)

FISCAL YEAR ENDED AUGUST 31

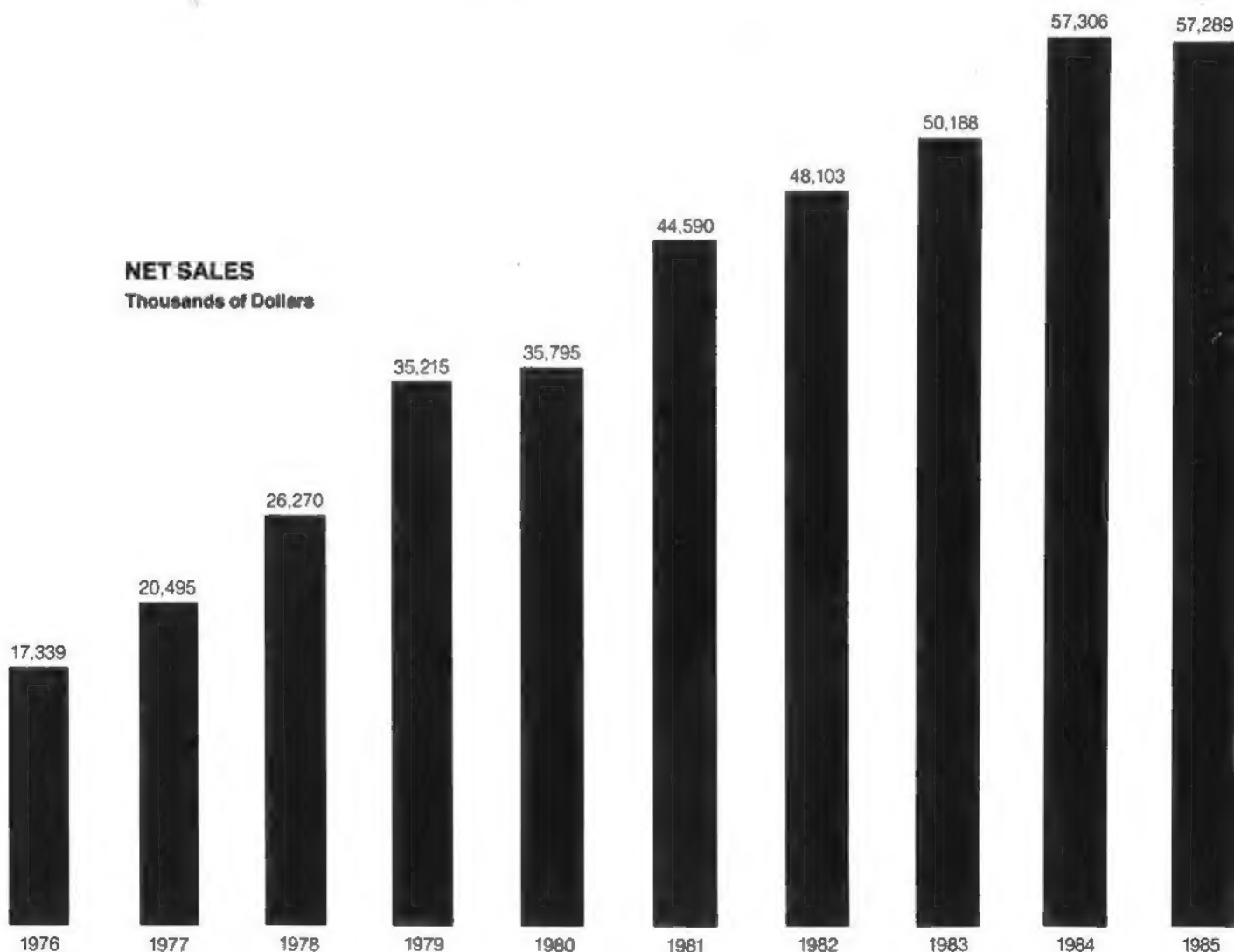
	1976	1977	1978
Net sales .....	\$17,339,000	\$20,495,000	\$26,270,000
Cost of products sold .....	7,929,000	9,230,000	10,957,000
Gross profit .....	9,410,000	11,265,000	15,313,000
Selling, advertising, general and administrative expenses .....	4,918,000	5,812,000	7,200,000
Interest, royalty and other income .....	229,000	296,000	491,000
Income before taxes on income .....	4,721,000	5,749,000	8,604,000
Provision for income taxes .....	2,468,000	3,013,000	4,470,000
Net income .....	\$ 2,253,000	\$ 2,736,000	\$ 4,134,000
Earnings per share (2) .....	\$ .31	\$ .38	\$ .56
Weighted average number of shares .....	7,303,470	7,303,698	7,414,278
Cash dividends per share (3) .....	\$ .16	\$ .18	\$ .27
Total assets .....	\$ 5,942,000	\$ 7,556,000	\$10,446,000
Number of employees .....	27	31	32

(1) Includes the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions have been eliminated. See Management's Discussion and Analysis of Operations of the three years ended August 31, 1985 on page 7.

(2) Earnings per common share have been computed based upon the weighted average number of shares of common stock outstanding during each year after giving retroactive effect to the two for one stock split in October 1978 and the three for one stock split in April 1983.

## NET SALES

Thousands of Dollars

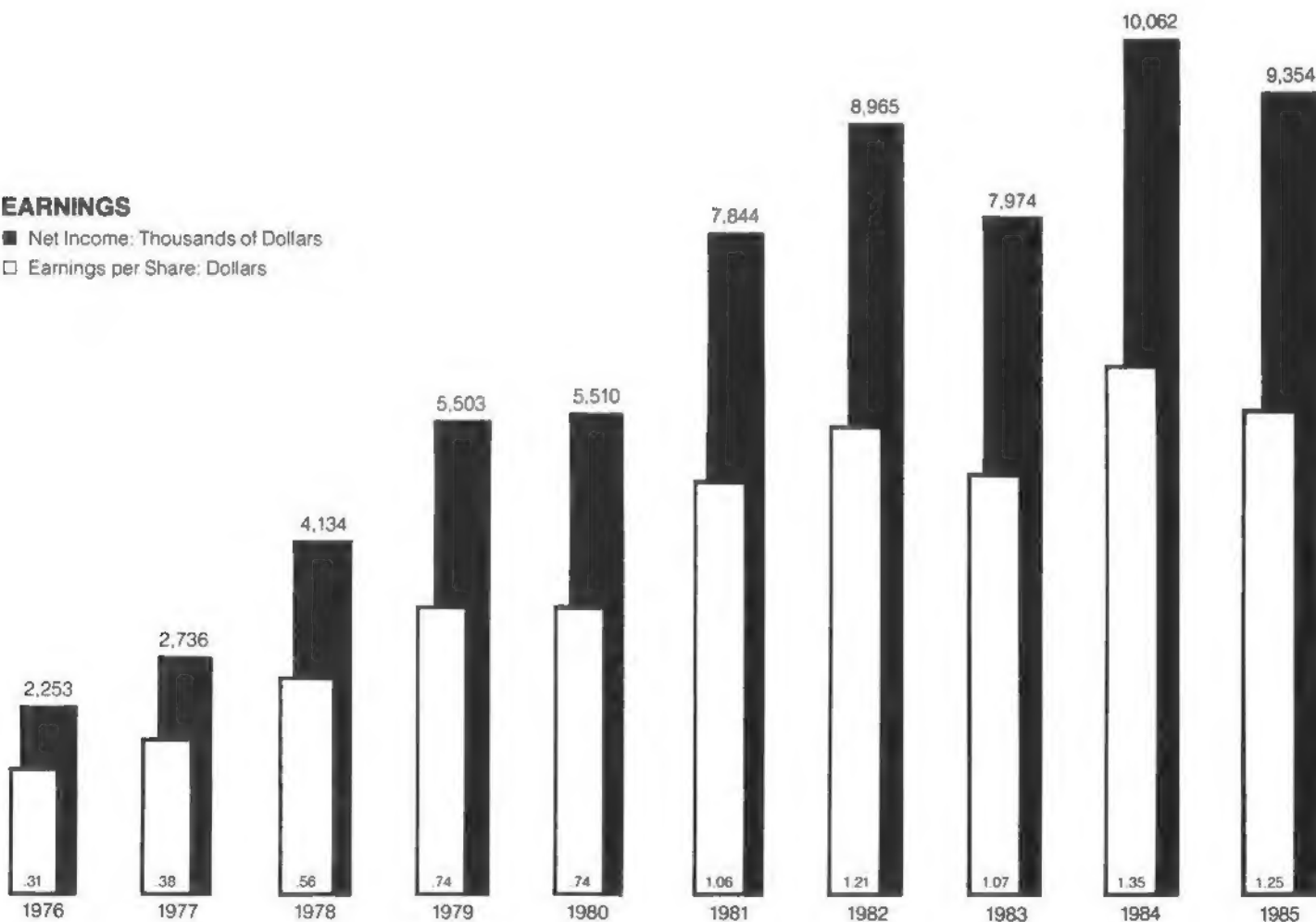


1979	1980	1981	1982	1983	1984	1985
\$35,215,000	\$35,795,000	\$44,590,000	\$48,103,000	\$50,188,000	\$57,306,000	\$57,289,000
15,503,000	16,106,000	19,715,000	20,467,000	21,781,000	24,060,00	24,403,000
19,712,000	19,689,000	24,875,000	27,636,000	28,407,000	33,246,000	32,886,000
9,154,000	9,519,000	10,203,000	11,253,000	13,647,000	14,318,000	15,053,000
706,000	942,000	1,212,000	1,712,000	1,333,000	1,515,000	1,505,000
11,264,000	11,112,000	15,884,000	18,095,000	16,093,000	20,443,000	19,338,000
5,761,000	5,602,000	8,040,000	9,130,000	8,119,000	10,381,000	9,984,000
<u>\$ 5,503,000</u>	<u>\$ 5,510,000</u>	<u>\$ 7,844,000</u>	<u>\$ 8,965,000</u>	<u>\$ 7,974,000</u>	<u>\$10,062,000</u>	<u>\$ 9,354,000</u>
<u>\$ .74</u>	<u>\$ .74</u>	<u>\$1.06</u>	<u>\$1.21</u>	<u>\$1.07</u>	<u>\$1.35</u>	<u>\$1.25</u>
7,434,270	7,434,270	7,434,270	7,434,834	7,453,598	7,476,546	7,498,024
<u>\$ .40</u>	<u>\$ .52</u>	<u>\$ .60</u>	<u>\$ .68</u>	<u>\$ .75</u>	<u>\$ .84</u>	<u>\$ .90</u>
<u>\$13,352,000</u>	<u>\$13,296,000</u>	<u>\$20,284,000</u>	<u>\$22,916,000</u>	<u>\$24,698,000</u>	<u>\$30,290,000</u>	<u>\$32,871,000</u>
35	36	36	37	38	39	49

(3) The cash dividends paid per common share have been retroactively restated to give effect to the October 1978 and April 1983 stock splits.

## EARNINGS

■ Net Income: Thousands of Dollars  
□ Earnings per Share: Dollars





New European Headquarters, Milton Keynes, England.